



# THE CHILD TAX CREDIT & AMERICAN RESCUE PLAN

United States Representative Abigail Spanberger (VA-07)

The American Rescue Plan includes a historic expansion of the Child Tax Credit that will help families across Central Virginia with the everyday costs of raising children, such as groceries, childcare, diapers, gas, medicine, and clothing.

## What is the Child Tax Credit?

- Since 1997, Congress has recognized the importance of easing the financial burden that families incur when having a child.
- To support these families, Congress enacted the Child Tax Credit, which provided tax relief to families with children under 17 years of age. If a family's tax liability is less than the value of their Child Tax Credit, they may be eligible for a refundable credit calculated using the earned income formula.

## New relief for American families in the American Rescue Plan:

To help address the challenges facing families as they try to get their lives back to normal following the COVID-19 pandemic, Congress passed the American Rescue Plan — **which expands the 2021 Child Tax Credit from \$2,000 per child to as much as \$3,600 per child and allows more families to benefit.**

## What's new? Up to \$3,600 per child for families:

The American Rescue Plan, passed by Congress and signed into law in March 2021, expanded the Child Tax Credit for 2021. This expansion means Virginia families will receive:

- \$3,000 per child 6 to 17 years old. 17 year-olds are eligible for the benefit for the first time.
- \$3,600 per child under 6 years old.
- Families are eligible for the tax credit based on their household income. Couples making up to \$150,000 and single parents (or heads of household) making up to \$112,500 are eligible for the full amount; over these income levels, families are eligible for a prorated, reduced amount.

## When will I receive this benefit?

The IRS will send you half of your 2021 Child Tax Credit in monthly payments, starting in July of up to \$300 per child under age 6 and \$250 per child ages 6 to 17.



## How long do these benefits last?

The American Rescue Plan enacted these changes to the Child Tax Credit for 2021 only. However, Congress is actively considering legislative proposals that would extend the newly expanded Child Tax Credit.

## How do I know if I qualify for this credit?

If you have filed taxes in 2019 or 2020, or if you signed up to receive a stimulus check from the Internal Revenue Service, you will receive this tax relief automatically!

If you did not make enough to be required to file taxes in 2019 or 2020, **you can still get benefits!** All low-income families with children are eligible for this critical tax relief.

If you fall under the category of a non-tax filer, please visit: [www.whitehouse.gov/child-tax-credit/sign-up/](https://www.whitehouse.gov/child-tax-credit/sign-up/)

## What will be the impact on Central Virginia families?

- The American Rescue Plan's expanded Child Tax Credit will benefit nearly 150,000 Central Virginia children and lift thousands of Central Virginia children out of poverty.
- An estimated 145,900 Central Virginia children — 80.4 percent of all children in Central Virginia, will benefit from the American Rescue Plan's expanded Child Tax Credit.

## What will be the impact on child poverty nationally?

- Child poverty costs the United States an estimated \$1 trillion each year.
- This increase in the Child Tax Credit — an investment of \$100 billion — can reduce child poverty in our country by up to 55 percent this year.
- Nationwide, the program is poised to cut child poverty by an estimated 55 percent. Across Virginia, 1.5 million children stand to benefit from the new credit — including 249,000 children who are currently in poverty.

## Where can I go to learn more?

To find out more about the Child Tax Credit, please visit [www.childtaxcredit.gov](https://www.childtaxcredit.gov)

**You can also contact any of my offices at:**

**Washington D.C. — 202-225-2815 | Henrico — 804-401-4110 | Spotsylvania — 540-321-6130**

